

**THI OF SOUTH CAROLINA AT CHARLESTON  
D/B/A DRIFTWOOD REHABILITATION NURSING CENTER**

**CHARLESTON, SOUTH CAROLINA**

**CONTRACT PERIOD  
BEGINNING OCTOBER 1, 2006  
AC# 3-DRF-J5**

**AGREED-UPON PROCEDURES REPORT**

**ON CONTRACT**

**FOR**

**PURCHASE OF NURSING CARE SERVICES**

**WITH**

**STATE OF SOUTH CAROLINA**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

# State of South Carolina



## Office of the State Auditor

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

(803) 253-4160  
FAX (803) 343-0723

### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 14, 2008

Department of Health and Human Services  
State of South Carolina  
Columbia, South Carolina

RE: AC# 3-DRF-J5 – THI of South Carolina at Charleston d/b/a Driftwood Rehabilitation Nursing Center

We have performed the procedures enumerated below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with THI of South Carolina at Charleston d/b/a Driftwood Rehabilitation Nursing Center, for the contract period beginning October 1, 2006, and for the twelve month cost report period ended September 30, 2007. The management of THI of South Carolina at Charleston d/b/a Driftwood Rehabilitation Nursing Center is responsible for the Financial and Statistical Report for Nursing Homes and supporting accounting and statistical records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the South Carolina Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by THI of South Carolina at Charleston d/b/a Driftwood Rehabilitation Nursing Center, to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the provider. We found no material exceptions as a result of these procedures.
2. We considered the results of our procedures and determined that there was no material effect on the provider's interim Medicaid reimbursement rate as listed below:

#### CONTRACT PERIOD

#### INTERIM MEDICAID RATE

October 1, 2006 – September 30, 2007

\$142.17

Department of Health and Human Services  
State of South Carolina  
March 14, 2008

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the South Carolina Department of Health and Human Services and is not intended to be and should not be used by anyone other than the specified party.

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", with a stylized flourish at the end.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/sag

cc: Mr. Jeff Saxon  
Ms. Kathleen C. Snider